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Ranking Member Steve Womack

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CONGRESSIONAL BUDGET OFFICE REPORT ON ESTABLISHING SINGLE-PAYER SYSTEMS LIKE MEDICARE-FOR-ALL

The House Budget Committee will hold a hearing this week on a recent report from the Congressional Budget Office (CBO), entitled “[Key Design Components and Considerations for Establishing a Single-Payer Health Care System](#).” The report, developed in response to a [request](#) from House Democrats, outlines the [risks](#) of replacing existing health care programs, upon which hundreds of millions of Americans rely, with a single-payer, one-size-fits-all health care system – much like Democrats’ Medicare-for-All proposal.

What *Is Not* In The Report. As CBO explains, “This report describes the primary features of single-payer systems, and it discusses some of the design considerations and choices that policymakers will face as they develop proposals for establishing such a system in the United States.” Specifically, they note, “the report does not ... analyze the budgetary effects of any specific proposal.” In other words, the report does not include a formal cost estimate. Several other independent analyses from economists across the ideological spectrum – including [George Mason University’s Mercatus Center](#), [the Urban Institute](#), and [the American Action Forum](#) – have projected single-payer-type proposals such as Medicare-for-All to cost at least \$32 trillion.

What *Is* In The Report. The report [outlines](#) how one-size-fits-all health care proposals could affect our nation’s budget and economy, as well as how it could affect taxpayers, patients, and health care providers. Among the many effects, the report explains that imposing this type of health care system would increase government spending “substantially” and require “substantial additional government resources.” Under this system, the report added, “patients would not have a choice of insurer or health benefits” and the benefits provided “might not address the needs of some people.” Further, a system like Medicare-for-All “would reduce the average payment rates most providers receive – often substantially,” which “would probably reduce the amount of care supplied and could reduce the quality of care.” The report also outlines the different financing methods to pay for such a system, including raising taxes, premiums, or cost-sharing (e.g. out-of-pocket costs such as co-pays). Alternatively, as the report notes, such a system could also be “financed” by adding to our [nation’s \\$22 trillion debt](#).

What Conclusions Can Be Drawn From The Report. While the report does not examine specific proposals, it paints a picture of what health care would look like in the United States under a proposal like Medicare-for-All. For instance, using CBO’s own data about our nation’s current health care system, under the Medicare-for-All legislation introduced in the U.S. House of Representatives, 158 million Americans would lose the health coverage they currently receive through their employers or unions. Additionally, while the report outlines three methods for financing a transition to a single-payer system, as described above, the legislation introduced in the House prohibits two of these (premiums and cost-sharing) – meaning tax increases would be the only method to finance the proposal. The report makes clear that a one-size-fits-all health care system is not only costly, but it is also unworkable and would force Americans to pay more to wait longer for worse care.